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Briefing Report to the Chairman,
Subcommittee on Military Personnel and
Compensation, Committee on Armed
Services, House of Representatives

April 1992

ARMY FORCE STRUCTURE

Personnel, Equipment,
and Cost Issues
Related to the
European Drawdown



National Security and
International Affairs Division

B-248209

April 9, 1992

The Honorable Beverly B. Byron
Chairman, Subcommittee on Military Personnel
and Compensation
Committee on Armed Services
House of Representatives

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Dear Madam Chairman:

This report responds to your June 1991 request that we review the Army's implementation of its force reduction plan in Europe to identify issues that should be addressed as troop and equipment withdrawals proceed. Our objectives were to

- determine the status of military and civilian personnel reductions and assess whether the U.S. Army, Europe (USAREUR) had been able to manage the reductions at the pace imposed upon it;
- identify any difficulties that USAREUR might be encountering in repairing and relocating usable equipment and disposing of equipment excess to its needs;
- determine how USAREUR was budgeting, accounting for, and covering its costs during the drawdown; and
- ascertain the impact of the force reductions in Europe on U.S. bases and on the quality of life of soldiers returning to the United States.

This letter summarizes the content of our April 1, 1992, briefing to you on our findings. Our detailed analyses and findings are contained in appendix I.

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Background

In response to unprecedented geopolitical changes in Europe, the Army is reducing its forces in Europe to about one-half the level that existed in 1990. By November 1990, USAREUR had developed its original plans for the future force structure and the implementation of the drawdown.

The plans covered such issues as unit withdrawal, equipment redistribution, personnel reductions, and transfer of facilities. Throughout its drawdown planning, USAREUR's highest priority was to maintain a high quality of life for soldiers and families leaving Europe.

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We previously examined those plans and in February 1991 reported USAREUR's concerns about the estimated time frames for moving troops, the flexibility of the Army's plans to handle potentially larger drawdowns, and the Army's ability to control the disposition of equipment during the drawdown. As of February 1992, USAREUR's plan was to achieve certain troop, civilian personnel, and installation goals for the period January 1, 1990, through September 30, 1993. Specifically, the plan called for a decrease from (1) 216,400 to 92,200 troops, (2) 64,000 to 36,000 civilian personnel, and (3) 858 to 455 installations.

The original plan directed that personnel be moved out of Europe as individuals rather than as units. However, last summer the Army decided to move 57 USAREUR units to the United States to support its contingency forces, in addition to individuals. These units range in size from about 50 to 800 soldiers. Because of this modification to the original plan, U.S. bases have had to adjust to receive these soldiers and their units.

Major military and political events have occurred since the Army developed its original drawdown plan in November 1990. The intervention of Operation Desert Storm forced USAREUR to suspend about half of the troop departures it planned for 1991 and to make up for this delay in 1992 by accelerating the drawdown's pace. USAREUR's decision to accelerate the drawdown in fiscal year 1992 was made with the realization that its projected budget for fiscal year 1993 would not support higher force levels.

Results in Brief

The accelerated pace of the Army drawdown in Europe has greatly increased demands on USAREUR resources at a time when USAREUR's budget is being dramatically reduced. While the Army is successfully removing troops from Europe at a rapid pace, the associated reductions in civilian personnel and equipment lag behind. Much of the real work and true costs of this drawdown are yet to come—especially those tasks related to disposing of the large amount of excess equipment resulting from force reductions and the elimination of the entire stockpile of war reserve materiel in Central Europe.

The European drawdown is contributing to the problems of U.S. military installations already taxed to plan for assimilating an influx of personnel from domestic base closures and realignments. Soldiers are arriving to crowded posts, experiencing difficulty finding affordable housing, and

bearing the cost of temporary lodging when housing cannot be located within a few days.

The Army is returning 57 former European-based support units originally scheduled for inactivation to bolster active duty forces in its contingency force. However, much of these units' equipment was used in the Gulf war and is in poor condition. Although the Army is optimistic that it can bring these units back to a high state of readiness this summer, the maintenance capacity of receiving bases is being fully taxed, and it is uncertain how quickly this goal will be achieved.

Observations

The Army is well aware of the issues that we raise in this report and is earnestly seeking solutions. Throughout this drawdown, the Army has placed a high priority on preserving the dignity and quality of life of its soldiers and their families. Nonetheless, problems have occurred, and it will take strong cooperation between the Congress and the Army to arrive at solutions that deal squarely with the issues. As we see it, the next steps are for the Army to

- clearly define the remaining drawdown tasks, the skills needed to accomplish them, and the matchup of these skills with the personnel that remain to accomplish them;
- assess the pros and cons and relative costs of alternative approaches for accomplishing these tasks and the pace at which these tasks can reasonably be accomplished through each of these alternatives;
- develop a plan to return critical, early-deploying support forces returning to the United States to a high state of readiness;
- explore ways to ease the hardships of soldiers returning to overcrowded U.S. bases; and
- better monitor and account for drawdown-related costs so that informed budgetary decisions can be made.

As you requested, we did not obtain official agency comments on this report. However, we discussed the content of our April 1, 1992, briefing we provided to you with the Commander in Chief of USAREUR and other DOD officials and have taken their comments into account. We are sending copies of this report to the Chairmen of the Senate and House Committees on Armed Services and Appropriations, the Secretaries of Defense and the Army, the Director of the Office of Management and Budget, and other interested parties. We will make copies available to others on request.

Please call me on (202) 275-4141 if you have any questions about this report. Our scope and methodology is included as appendix II, and the major contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard Davis". The signature is written in black ink and is positioned above the printed name and title.

Richard Davis
Director, Army Issues

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Abbreviations

| | |
|---------|---------------------------|
| DOD | Department of Defense |
| GAO | General Accounting Office |
| USAREUR | U.S. Army, Europe |

Status of the Army's Drawdown in Europe and Its Impacts on Soldiers and U.S. Bases

Evolution of Drawdown Plans

In response to unprecedented geopolitical changes in Europe, the Army is reducing its forces to about one-half of the level that existed in 1990. By November 1990, USAREUR had developed a detailed drawdown plan covering the mechanics of how (1) units and personnel would be withdrawn, (2) equipment would be redistributed, and (3) facilities would be turned over to the host nation. We examined the Army's drawdown plans as they were being developed and, in February 1991,¹ reported USAREUR's concerns about the estimated time frames for moving units, the flexibility of the Army's plans to handle potentially larger reductions, and the Army's ability to control the disposition of equipment during the drawdown.

At that time, USAREUR officials warned that returning soldiers to the United States at a higher annual rate of return than 30,000 a year could result in (1) a backlog of household goods and privately owned vehicles to be shipped to the United States, (2) too few personnel to upgrade and turn in unit equipment before departing the theater, (3) higher transportation costs and the inefficient use of resources, and (4) the erosion of the quality of life for soldiers and their families.

Since that time, the deployment of VII Corps forces from Europe to Operation Desert Storm and political developments in Eastern and Central Europe and the former Soviet Union have led to significant modifications to the original drawdown plan. As shown by table I.1, the Army's plan has evolved into progressively smaller target end states for troops, civilians, and installations, and the pace has been accelerated to accomplish the end states sooner.

Table I.1: Evolution of Army Drawdown Plan for Europe

| | Drawdown goals | | | Completion date ^a |
|------------|----------------|-----------|---------------|------------------------------|
| | Soldiers | Civilians | Installations | |
| Late 1990 | 158,500 | 37,000 | 758 | 1995 |
| Early 1991 | 120,000 | 37,000 | 533 | 1995 |
| Late 1991 | 92,200 | 32,000 | 455 | 1995 |
| Early 1992 | 92,200 | 36,000 | 455 | 1993 |

^aEnd of fiscal year.

Source: Various documents provided by U.S. Army, Europe.

¹Army Force Structure: Planning for the Drawdown of Forces and Equipment in Europe (GAO/NSIAD-91-139, Feb. 22, 1991).

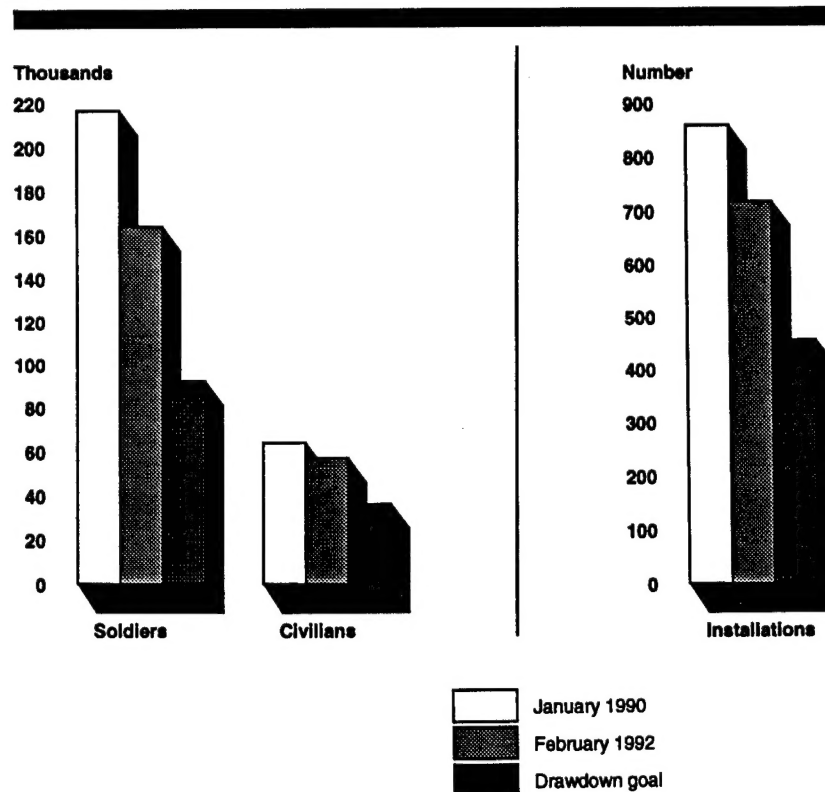
Appendix I
Status of the Army's Drawdown in Europe
and Its Impacts on Soldiers and U.S. Bases

The President's fiscal year 1993 budget now calls for achieving an end state of 92,200 troops and 36,000 civilian employees by the end of fiscal year 1993. USAREUR officials advised us in late March 1992 that the anticipated targets and time frames could change again.

Almost Half of Planned Troop Withdrawals Completed

As shown by figure I.1, the Army has completed over 40 percent of the troop withdrawals required to achieve its target end strength. However, civilian personnel reductions have proceeded at a slower pace.

Figure I.1: Status of Army Drawdown in Relation to Original Plan and End-State Goals for Soldiers, Civilians, and Installations



Source: U.S. Army Europe.

As of January 1990—prior to USAREUR's implementation of the drawdown—the Army had about 216,400 troops, 64,000 civilians, and 858 installations in Europe. As of February 1992, USAREUR's plan was to draw

down its forces to end-state levels of 92,200 troops, 36,000 civilians, and 455 installations.

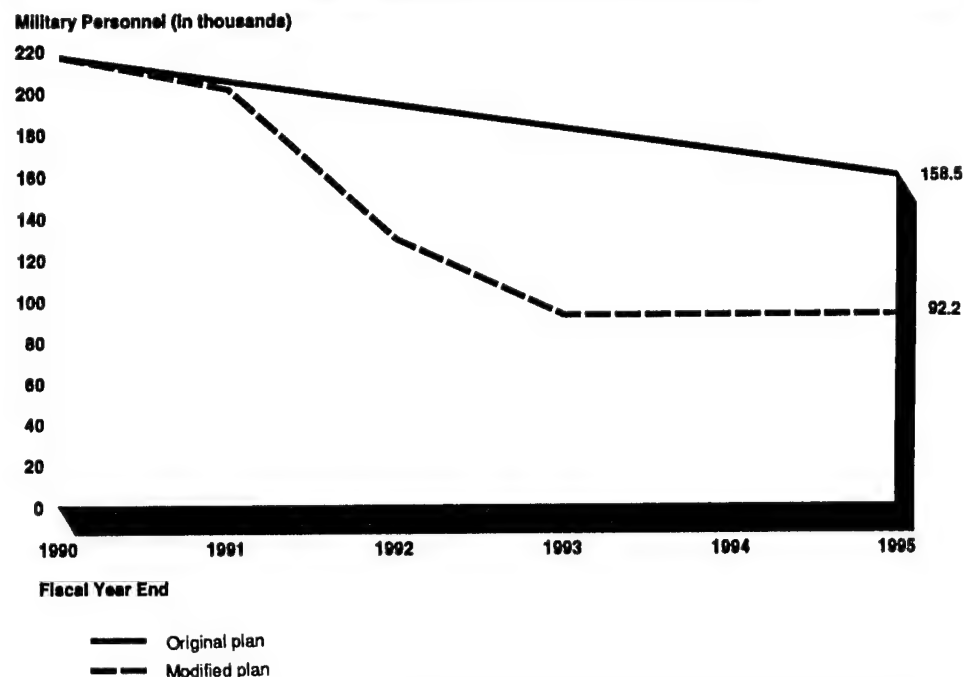
As of February 1992, about 164,000 troops, 57,000 civilians, and 717 installations remained in Europe. USAREUR had thus achieved about 42 percent of its military personnel goal, 25 percent of its civilian personnel goal, and 35 percent of its installation goal.

**Operation Desert Storm
Impacts and Reduced
Budgets Have Forced an
Acceleration of the
Drawdown**

USAREUR planned to implement its drawdown in the context of a peacetime environment. However, its early implementation was interrupted by Operations Desert Shield and Storm. While USAREUR's original plan called for about 30,000 military personnel to be withdrawn from Europe in fiscal year 1991, some of the scheduled inactivations slipped with VII Corps' deployment to the Gulf. Only about 14,600 actually departed that year.

As illustrated by figure I.2, USAREUR accelerated its drawdown in fiscal year 1992, feeling pressure to make up for the delay and adjust to the new lower end-strength target of 92,200 imposed on it. The Army decided to accelerate the drawdown because the projected budget for fiscal year 1993 would not support the higher force levels.

Figure I.2: Comparison of Original and Modified Army Drawdown Plans



Note: Line representing original plan assumes a constant annual reduction. The original plan did not contain specific annual drawdown targets.

Source: U.S. Army, Europe.

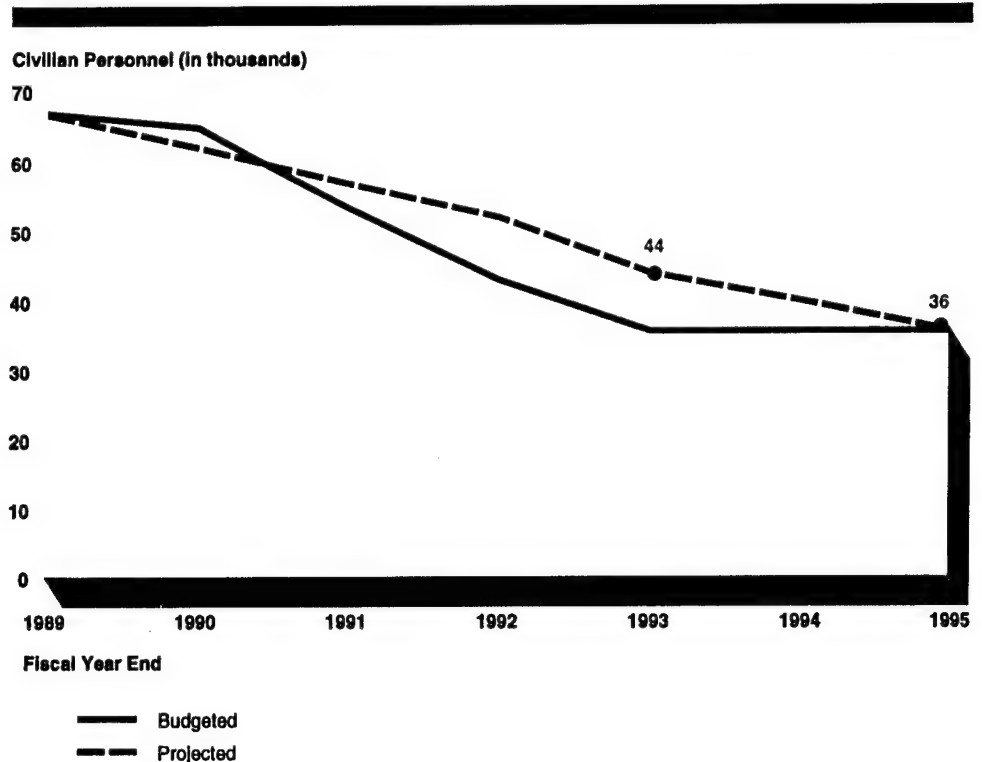
As the figure shows, the actual drawdown pace underway is considerably faster than the original plan. The end-state goal has been reduced from 158,500 to 92,200 troops, and the drawdown is now scheduled to be completed by the end of fiscal year 1993 rather than by the end of fiscal year 1995 as originally planned.² During its original drawdown planning, USAREUR officials did not believe that it could effectively remove more than 30,000 troops from Europe in a year; yet, USAREUR is now planning to remove about 72,000 troops in fiscal year 1992. About 31,000 of these are considered "fast movers" because their units served in the Gulf war and will be inactivated without their equipment, which is being moved directly to the United States from the Gulf.

²Exceptions include members of the Berlin Brigade who will remain somewhat longer due to treaty obligations and logistics personnel needed to manage the equipment drawdown.

Civilian Personnel Reductions Have Lagged Behind Troop Reductions

Civilian personnel reductions have not kept pace with the original plan as shown by figure I.3. This has led to a level of civilian employees for fiscal year 1993 significantly above the number budgeted.

Figure I.3: Comparison of Budgeted and Projected Civilian Personnel Levels



Note: USAREUR projects that it will complete civilian reductions by the end of 1995.

Source: U.S. Army, Europe.

USAREUR officials advised us that they had originally estimated that civilian personnel reductions would lag 1 year behind troop reductions due to the need to retain some personnel to complete drawdown tasks. However, they now estimate that these reductions are lagging a full 2 years behind troop reductions. Civilians are being reduced at a slower pace than expected because USAREUR had to keep some personnel it had planned to separate to support VII Corps' deployment to Operations Desert Shield and Storm and to complete drawdown tasks. USAREUR officials said that these personnel were needed especially for tasks associated with equipment management and installation closure.

The lengthy process for separating foreign national employees from installations affected by inactivations and closures has also contributed to the lag in civilian personnel reductions. These personnel make up about 70 percent of USAREUR's civilian work force. According to USAREUR, this process takes an average of about 13 months after the announcement of an installation's anticipated closure, because many foreign national employees contest their terminations through German legal channels. Moreover, a high percentage of employees have contested their terminations at some closing installations.

U.S. officials recently took steps to limit U.S. liability by improving their management of termination actions and by entering into an indemnity plan with German labor unions to reduce litigation and related settlement costs. However, it is unclear how effective the indemnity plan will be in speeding the separation process or how the plan will affect USAREUR's civilian personnel levels. USAREUR projects that at the end of fiscal year 1993, it will have 8,000 more civilians on its rolls than it had budgeted for and that its end-state goal for civilian personnel may not be achieved until the end of fiscal year 1995.

Major Equipment Management Tasks Remain

The downsized force, declining threat, and budget reductions have combined to greatly reduce USAREUR's equipment requirements. USAREUR unit inactivations—combined with an Army decision to eliminate the entire stockpile of excess war reserve equipment in Central Europe—have resulted in large excesses awaiting inspection and disposition and left USAREUR with a formidable equipment management task.

Some Unit Equipment Has Been Redistributed Within Europe but a Large Amount Will Be Excess to USAREUR's Needs

USAREUR has internally redistributed equipment from departing units in the following order of priority: (1) Army Readiness Package South—a stockpile of equipment being assembled in southern Europe; (2) other Army units remaining as part of the residual force in Europe; and (3) POMCUS (Prepositioning of Materiel Configured to Unit Sets) storage sites. The remainder is declared excess to Europe's requirements. On the basis of its condition, it is either sent to units or depots in the United States; given to NATO allies under a harmonization program resulting from U.S. treaty commitments; sold to other countries under the foreign military sales program; or sent to storage to await disposal.

In February 1992, logistics officials estimated that USAREUR unit inactivations would generate about 45,000 major items in excess of

USAREUR's needs.³ Some of this excess equipment—such as items returning to U.S. units—must meet the Army's 10/20 standard for repair and condition,⁴ while other equipment going to depots is transferred "as is." USAREUR is responsible for the costs of repairing equipment to the 10/20 standard if the equipment is transferred to another Army unit. Due to budget constraints, USAREUR recently halted repair and transfer of equipment to units in the United States because it did not have the funds to pay for repairs to the 10/20 standard. Instead of transferring the equipment, USAREUR plans to hold this equipment in storage until repair funds become available.

**Decision to Eliminate All
War Reserve Materiel
Greatly Complicates
USAREUR's Equipment
Disposal Task**

At the same time that troop departures are generating excess equipment in Europe, the Army has decided to eliminate what a top Army official called its "Cold War Mountain" of war reserve materiel in Central Europe. This stockpile, valued at \$5.8 billion in April 1991, is no longer needed because it was intended to support a protracted war in Europe. USAREUR officials estimated in February 1992 that it had a total of about 572,000 short tons worth of equipment in storage—most of it excess to its needs.

This excess equipment is currently stored in facilities in Germany, Luxembourg, and the Netherlands. As the unit drawdown progresses, these storage facilities are receiving some of the excess unit equipment and being filled far above their normal capacity. The Reserve Storage Activity in Germersheim, Germany, for example, experienced a 55 percent increase in major items stored between September 1990 and December 1991. USAREUR officials attribute this increase primarily to receipt of unit drawdown equipment.

The Army is currently planning the disposition of this excess equipment. The most useful equipment will be redistributed within the Army, but thousands of outmoded tanks and wheeled vehicles will be destroyed, sold, or given to allies. USAREUR officials told us in March 1992 that they would like to expedite disposal of this equipment and close the storage sites to eliminate the operational costs of the storage facilities.

³Major items of equipment include large items such as trucks and infantry fighting vehicles and also include smaller items such as chemical masks and binoculars.

⁴The Army's 10/20 standard for equipment condition requires that the equipment be fully capable of achieving its mission and free from any mechanical or physical defects.

Much of the War Reserve Equipment Either Needs Repair or Is Not Worth Repairing

Much of the excess war reserve equipment is in poor condition. At least 75 percent of the major equipment items are in unserviceable condition,⁵ according to USAREUR maintenance records. Of the 25,000 tracked and wheeled vehicles in storage, the condition of nearly 8,000 vehicles is unknown; an inspection is needed to determine their condition and needed repairs. Moreover, the condition of equipment already inspected is highly suspect. USAREUR logistics officials estimate that as much as 90 percent of the stored equipment is in worse condition than its classification indicates. The Army needs accurate information on the condition of its excess equipment to make an informed decision about the cost-effectiveness of repairing and redistributing it.

Although USAREUR currently employs civilian personnel to process and service this war reserve equipment, it is under mounting pressure to quickly reduce civilians to meet its budget goals. USAREUR believes that without adequate personnel resources, the assessment of the condition of this equipment, needed repairs, and disposition decisions could be significantly delayed. Moreover, the cost savings anticipated from closing storage facilities would be further delayed.

USAREUR Has Not Closely Tracked the Costs of the Drawdown

The Commander in Chief of USAREUR advised us in December 1991, that due to the complexities of drawdown tasks imposed on unit commanders undergoing inactivation, a conscious decision was made not to impose an additional burden on these individuals by insisting on a detailed tracking of drawdown-related costs. Accordingly, USAREUR is now unable to effectively document its budget needs for completing the drawdown.

USAREUR Planned to Cover Drawdown Costs From Operations and Maintenance Funds

Army and USAREUR officials agreed to fund the drawdown from normal operational funding, with no separate funding appropriated or earmarked for the costs of the drawdown. In developing its budgets, USAREUR requested full operational funding for departing units assuming that the total drawdown costs would be approximately equal to what would have been spent to operate and maintain the units. USAREUR would then allocate monies as appropriate to cover drawdown costs. USAREUR resource management officials acknowledge that their assertion that these costs would be equal was based on rough estimates.

Over the course of the drawdown, the Army's Operations and Maintenance Account has steadily declined—from \$22.1 billion in fiscal year 1989 to an

⁵Unserviceable items range from those requiring only limited repair to those that are condemned.

estimated \$16.9 billion requested for fiscal year 1993.⁶ During this same period, USAREUR's budget has also declined from \$4.5 billion in fiscal year 1989 to approximately \$2 billion expected in 1993. The Department of the Army cut USAREUR's budget in fiscal year 1992, citing an inability to validate USAREUR's estimated requirements. USAREUR officials said that reduced budgets had forced them to accelerate the drawdown. USAREUR is attempting to meet these lower budget targets by removing military personnel at an accelerated pace. This enables USAREUR to lower its operations budget since unit training ceases once a unit is announced for withdrawal.

More important for meeting budget targets, however, is achieving civilian personnel reductions. Civilian salaries are the single largest component of USAREUR's operational budget: they were 45 percent of the fiscal year 1991 budget. According to USAREUR officials, removing these personnel from USAREUR's payroll as quickly as possible would help in meeting future budget targets but could adversely affect management of the drawdown given the many drawdown tasks that remain.

Cost of the European Drawdown Uncertain

Complicating the development of good budgets is the lack of reliable data on which to estimate future costs. Now, 18 months into the European drawdown, the Army still has little reliable cost information. Although USAREUR created drawdown cost accounts, the data actually captured in those accounts does not fully reflect the true cost of the European drawdown for several reasons. First, USAREUR de-emphasized cost accounting as too difficult given the scope, complexity, and fast pace of the drawdown. Second, tracking costs related to the Gulf war confused drawdown cost accounting. Some unit inactivations were delayed by the war; therefore, some costs that would have normally been charged to the drawdown, had the war not occurred, were charged to the Desert Storm supplemental appropriation. For example, normal costs for operating the unit between its originally-planned and actual inactivation dates were charged to the Desert Storm account. Finally, USAREUR officials told us that adequately defining what constituted a drawdown cost proved difficult. USAREUR provided broad guidance regarding the charging of costs to these accounts, but individual subordinate commands developed the specific parameters for capturing cost data.

⁶These figures are not directly comparable due to changes in the composition of items to be covered by this account.

Much of the Equipment of Units Identified to Support the Army's Contingency Force Is Not Ready

One major change in USAREUR's drawdown plans has been to relocate 57 units to the United States to support the Army's contingency force rather than inactivate them. These unit relocations have created difficulties for the bases receiving them since they have had to adjust and reconfigure their space to accommodate the returning units within existing budgets. Moreover, in the aftermath of Operation Desert Storm, the Army has had problems returning these units to the high state of readiness required by their contingency mission. While the Army categorizes these units as critically needed support forces for its earliest deploying combat forces, much of the equipment of the units we examined in January and February 1992 was not mission capable. Moreover, these units may be without their equipment and unable to effectively train as a unit for some time due to overloaded maintenance capabilities at receiving bases.

Army Decision on Contingency Force Altered USAREUR's Drawdown Plan

Although the Commander in Chief of USAREUR wanted to return personnel to the United States as units rather than individuals, the Army decided to relocate individuals. This plan changed last summer with the Army's decision to relocate 57 support units from Europe to the United States to increase the number of active duty support units for its early deploying contingency force. These units—referred to as Enhancing CONUS Contingency Capability (EC3) units—include engineer battalions and engineer combat support equipment companies; medium and heavy truck companies; and ammunition, military police, nondivisional maintenance, personnel, and finance units. They range in size from about 50 to 800 soldiers.

U.S. Installations Taxed in Making Room for Contingency Force Units

While USAREUR had to make adjustments to move entire units, the major impacts have been felt at U.S. installations receiving the units. In addition to having to locate housing for large numbers of personnel, installations have had to adjust their facilities to accommodate both the personnel and their equipment.

Several problems have been associated with these moves. While installation statistics may indicate that there is sufficient space on base to house a unit being relocated, this space is often dispersed or incompatible with the needs of the units arriving from Europe. For example, Fort Sill had excess trainee barracks. However, arms rooms had to be constructed before it could convert these barracks to accommodate arriving units. In some cases, over 2,000 people had to be shuffled to reconfigure the space to accommodate arriving units. Bases are making these adjustments while

also contending with changes brought about by base closures and realignments.

At Fort Sill, officials stated that about 30 iterations were necessary to devise an acceptable plan to accommodate arriving units. Most installations we visited did not have sufficient motor pool space. At Fort Benning, about \$200,000 was spent for gravel and security fences to expand one of its motor pools. Fort Sill officials stated that the motor pool space that was assigned to the artillery battalions it received was not adequate and would become more inadequate when these units modernized to the Multiple Launch Rocket System.

No separate funding has been provided to cover drawdown-related costs. As a result, installations had to cover these expenses from funds budgeted for other purposes. Installation officials pointed out that, in contrast, separate funding is supposed to be provided to cover the relocation of units from domestic base closures and realignments. Fort Carson officials estimated that they would incur expenses of about \$1 million to accommodate arriving units.

Operation Desert Storm Has Left Some Contingency Force Units With Equipment in Poor Condition

Some of the initial unit relocations included units whose equipment came directly from Desert Storm. Much of this equipment required extensive maintenance. At installations we visited, relocating units intended as early deploying units supporting the contingency force had a very low percentage of equipment that was fully mission capable. Table I.2 lists mission-capable rates for the units we visited.

**Table I.2: Mission-Capable Rates for
Equipment of Selected Contingency
Force Support Units Being Relocated
From Europe**

| Figures in percent | |
|--------------------------------|-----------------------------------|
| Type of unit | Mission-capable rate ^a |
| Three transportation companies | 0-7 |
| Field artillery battalion | 24 |
| Supply and service company | 39 |
| Quartermaster company | 30 |

^aAs of January-February 1992.

Source: Provided by receiving U.S. Army installations.

At Fort Carson and Fort Sill, we observed some of the EC3 unit equipment that had returned from the Gulf and found that much of it was in very poor

condition. One maintenance official at Fort Sill said that some of this equipment was "run into the ground," particularly trucks in transportation units. He attributed their condition to the fact that these units were in short supply and had to operate around the clock and, as a result, scheduled maintenance was often deferred. In addition, the harsh conditions in Southwest Asia—desert sand, heat, and poor roads—took a heavy toll on this equipment. Officials at both Fort Carson and Fort Sill, noting serious rust problems with some of the equipment, told us that in some cases, the water used to clean the equipment before it was redeployed may have been contaminated with salt. They also explained that, in some instances, the operators were separated from their equipment immediately after cleaning it and returned to Europe before they could perform routine preventive maintenance, such as spot painting and lubricating.

Installations have not yet identified the full extent of the effort required or the funding needed to accomplish these maintenance efforts. However, improving the capability of this equipment will clearly further tax the maintenance resources of installations that are still recovering from the Gulf war. For example, at Fort Benning, the equipment of one EC3 engineer battalion returned directly from the Gulf in very poor condition. Fort Benning officials told us in November 1991 that none of its equipment was at the Army's 10/20 standard and that much of it could not even be driven. However, the installation's brigade, which had just returned from the Gulf, was still trying to return its own equipment to standard. Also, a nondivisional maintenance unit on the installation that could have assisted with the maintenance was without its tools, having been required to leave its tools in Saudi Arabia for use by another unit. These officials said that it would be June 1992 or later before the engineer unit's equipment was back to standard.

Returning Soldiers' Quality of Life Has Been Adversely Impacted in the United States

The European drawdown is adversely impacting military personnel and their families arriving in the United States. Many installations and surrounding communities were already taxed in planning for the influx of personnel from domestic base closures and realignments and other restructuring initiatives. The drawdown has added to soldiers' difficulties in locating affordable housing. In addition, other problems, such as delays in receiving household goods, have posed hardships for some soldiers returning from Europe.

Many Installations Are Over Capacity

Many U.S. installations receiving units from Europe were already strained because of the large number of soldiers returning from Desert Storm. Further, after units returned from Desert Storm, personnel moves were frozen for several months resulting in installation conditions described by one senior Fort Benning official as "bursting at the seams." Table I.3 shows the extent to which military personnel exceeded authorized levels at selected U.S. bases.

Table I.3: Personnel on Board as a Percentage of Personnel Authorized for Selected Army Installations

| Installation | October 1991 | February 1992 | June 1992 (projected) |
|--------------|--------------|---------------|-----------------------|
| Fort Benning | 110 | 108 | 107 |
| Fort Bragg | 114 | 113 | 109 |
| Fort Carson | 110 | 108 | 99 |
| Fort Knox | 112 | 108 | 107 |
| Fort Lewis | 117 | 112 | 98 |
| Fort Sill | 113 | 100 | 105 |
| Fort Stewart | 116 | 112 | 109 |

Source: Army Personnel Command.

As shown by the table, the situation appears to be improving. Army officials said that they hoped that this overstrength condition would be short lived and that early release programs along with normal attrition might resolve the problem. However, it should be noted that the European drawdown is only about half completed, and about 70,000 military personnel still need to be returned to the United States. Moreover, about half of the EC3 units—some with hundreds of soldiers—have not yet returned, bases continue to close and be realigned, and the final end state of the Army is still being debated. Accordingly, there may be considerable personnel movement among bases in the future, and the problems we noted at these bases may not be resolved immediately.

Installations are in the midst of incorporating other initiatives that will impact their population. For example, three of the four installations we visited were receiving engineer battalions as part of the Army's initiative to provide each maneuver brigade with its own engineer battalion. Each of these battalions will include about 430 soldiers. Fort Carson was scheduled to receive another 1,360 individuals associated with moves of 6th Army headquarters and 10th Special Forces Group to that installation. While absorbing these additional personnel, all of the installations we

visited were experiencing budget cuts that were impacting their ability to cope with the additional expenses from arriving troops.

Soldiers Have Encountered Difficulties Locating Affordable Housing

The influx of personnel from Europe and other restructuring actions in the United States is rapidly depleting the supply of affordable housing available to soldiers and their families. Even before troops from Europe began arriving, most U.S. installations had long waiting lists for on-post family housing, and waiting periods often exceeded 18 months.

Because on-post housing has not been a viable option for many soldiers, they must find housing in the surrounding communities. However, we found that the housing inventory has dwindled in nearby communities, thus limiting the housing choices available to arriving soldiers. Officials at three of the four installations we visited noted that rental housing vacancy rates had dropped to about 5 percent or lower. For example, the rental vacancy rate in the Fort Carson area—Colorado Springs, Colorado—was only 5.2 percent. According to Fort Carson housing documents, 3-bedroom apartments were rented within 24 hours from the time they were listed on the rental market. At Fort Stewart, less than 2 percent of the housing units in the surrounding area were vacant. In the Lawton, Oklahoma, area around Fort Sill, the vacancy rate declined from 30 to 5 percent within a year.

With the decline of close-in affordable housing, many soldiers are being forced to live greater distances from their posts. The Army's policy is to have soldiers housed within 30 miles of their post. At several locations we visited, installation officials had been unable to adhere to this policy. At Fort Stewart, for example, a team of 15 Army lieutenants was formed to locate vacant units within a 60-mile radius—twice the prescribed distance. The Army has identified several other installations where commuting distances have been extended beyond what is considered by the Army to be reasonable.

Because of these housing shortages, some soldiers are living in temporary lodging far longer than the 4-day period for which they can expect to be fully reimbursed. Housing officials at Fort Carson and Fort Sill said that it was typical for soldiers to remain in temporary housing for 21 days.

Officials at all four installations we visited thought that soldiers were being significantly shortchanged by this situation. They noted that living in temporary housing not only posed a financial burden on the soldier for his

or her housing but also led to other expenses, such as eating in restaurants. They said that the most affected populations were lower-graded enlisted personnel with families, who were least able to afford these extraordinary expenses. Officials at Fort Carson explored ways to make up the difference between the amount of soldiers' lodging costs and the amount of the eligible reimbursement. However, they were unable to obtain funding for their proposals.

Long Waiting Times for Receiving Household Goods

Adding to this hardship has been the delays that some soldiers have encountered in receiving their household goods. The four installations we visited developed detailed plans to receive units from Europe and anticipated that there would be some delays in the shipment of household goods. We found that some soldiers and their families were waiting longer than the normal 60 days to receive their household goods, and, in many cases, soldiers have waited over 100 days. At Fort Stewart, 40 members of an engineer battalion did not receive their property for over 5 months. Soldiers have been forced to either live without this property or rent furniture during this period, thus adding to their financial burden.

USAREUR officials have gone to great lengths to avoid these long delays. Their priority has been to synchronize the moves of soldiers and their families with the movement of their household goods, cars, and family pets. However, the tremendous volume of personal property being shipped as a result of the drawdown has saturated the capacity of carriers, contractors, ports, and customs facilities, particularly in Europe. To deal with the extraordinary demands, USAREUR identified packers and movers from as far away as the United Kingdom to assist in the moves. The Army also made an exception to its car shipment policy in the case of returning units. Personnel in these units are now having their cars shipped all the way to the installation rather than to a port, where soldiers normally pick them up.

Scope and Methodology

In response to a June 1991 request from the Chairman, Subcommittee on Military Personnel and Compensation, House Armed Services Committee, we reviewed the Army's implementation of its force reduction plan in Europe to identify issues that should be addressed as troop and equipment withdrawals proceed. We also reviewed the impact of the force reductions in Europe on U.S. bases and on the quality of life of soldiers returning to the United States. To do this, we interviewed Army officials responsible for the drawdown in Europe and in the United States and reviewed available documentation on the plans, costs, and issues associated with the drawdown.

We discussed all aspects of the European drawdown with officials at Headquarters, U.S. Army, Europe, Heidelberg, Germany, and obtained documentation on their plans for, and status of, the military and civilian personnel drawdown as well as its management of equipment reductions. We also discussed with these officials how they were monitoring and accounting for drawdown costs.

We discussed equipment management issues and obtained related documentation from the 21st Theater Army Area Command in Kaiserslautern, Germany, and the 200th Theater Army Materiel Management Center in Zweibrucken, Germany. We also discussed the drawdown with officials at V Corps Headquarters in Frankfurt, Germany; Headquarters, U.S. European Command, Stuttgart, Germany; and other locations. In assessing USAREUR's management of excess equipment, we visited equipment storage facilities in Germersheim and Kaiserslautern, Germany, and observed equipment stockpiles containing war reserve materiel and equipment from inactivating units. At Germersheim, we obtained documentation on the amount and condition of equipment in storage.

In the United States, we interviewed officials at Department of the Army headquarters in Washington, D.C., and at Forces Command, Fort McPherson, Georgia, and discussed plans and guidance for receiving personnel at U.S. installations. We also obtained their views on the problems we noted at the installations we visited. We also visited four U.S. Army installations receiving units from Europe. These included Fort Benning, Georgia; Fort Carson, Colorado; Fort Sill, Oklahoma; and Fort Stewart, Georgia. At these installations, we reviewed stationing plans, equipment status documents, and housing market information and discussed their plans for, and experiences in, receiving individuals and units from Europe. We observed the condition of EC3 unit equipment at

Fort Carson and Fort Sill and spoke to personnel associated with the EC3 units at all four units about the status of their equipment. At Fort Carson, we talked to enlisted soldiers about their experiences in locating housing and receiving household goods and about other quality of life issues.

We conducted this review from August 1991 to April 1992 in accordance with generally accepted government auditing standards.

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